

U.S. News & World Report

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World Report (R)

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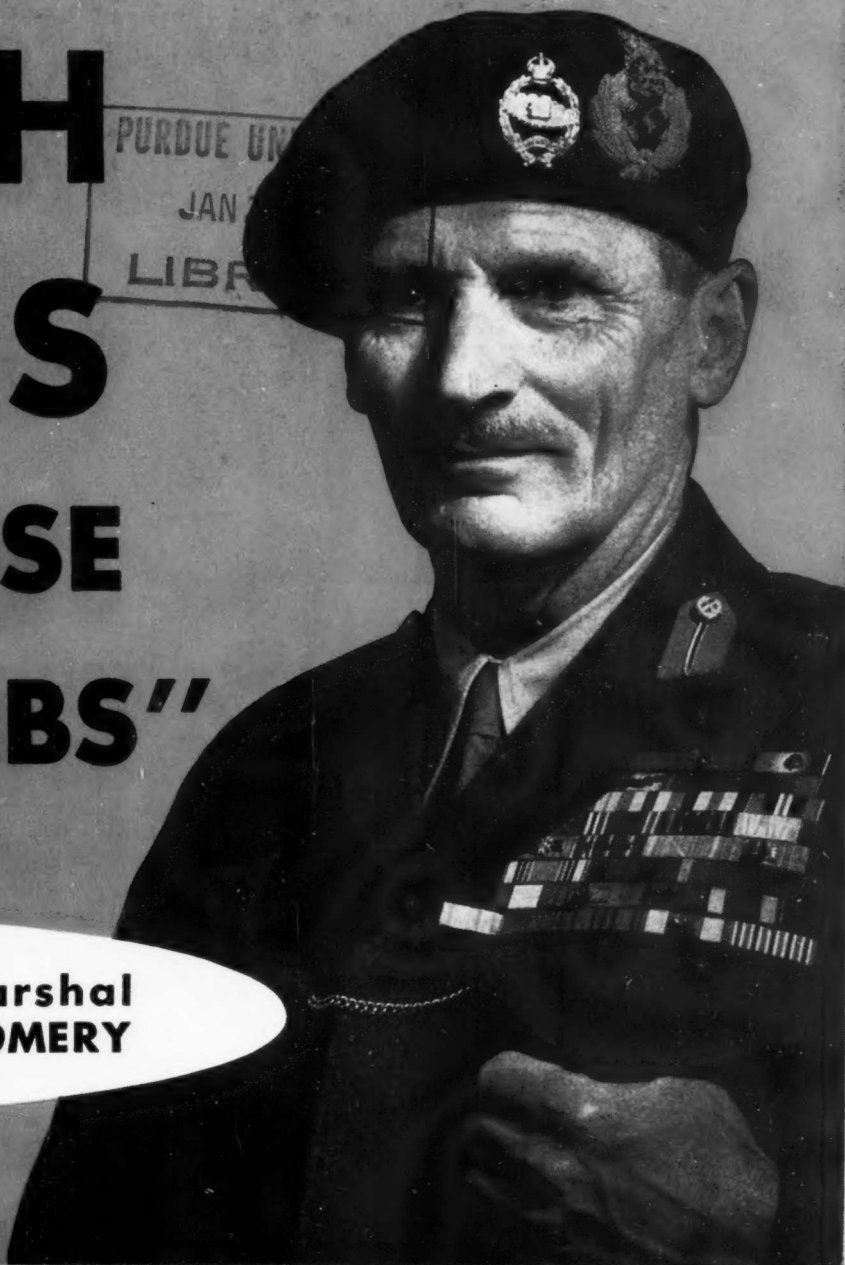
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**"BOTH
SIDES
WILL USE
A-BOMBS"**

EXCLUSIVE
INTERVIEW

Field Marshal
MONTGOMERY



IN THIS ISSUE

★ 120 Million Words With the Russians

Will man-to-man talks with the Russians get results in Berlin? What has been learned in eight years of almost continuous talks with the Communists? For a close, revealing look at the record to date, of 3,802 formal talks between U.S. and Communist officials since World War II and what they have produced, see page 21.

★ Bases in Spain: The Inside Story

Here, for the first time, you get the essential details of this country's secret deal with Spain—just what U.S. will get out of it and at what cost. Starts on page 37.

★ New Tax Formula for U.S.?

President Eisenhower now proposes to change the whole philosophy behind taxing individuals and businesses. How this may affect you or your firm is laid out on page 102.

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THE UNITED STATES NEWS WORLD REPORT

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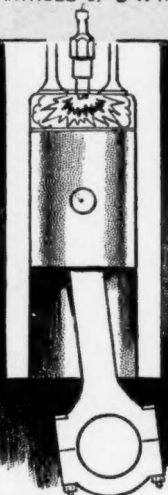


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A
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AHEAD

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24th and N Streets, N.W.
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Here's how you can size up results of the latest talks with Russians:

Agreement, pleasant talk, lots of toasts--and you can be sure that the Russians are getting concessions, that they're doing all right.

Disagreement in public, loud argument, not much vodka or caviar--and you will know that nothing much is being given away--no easy bargains.

It's as simple as that. Communists are pleasant when they think they can get something for nothing, or when they're getting something for nothing. They're very unpleasant, mean, when they can't get the best of a bargain.

Right now Communists act nice. They think they can cash in.

These are things Russia is after in the latest talking:

No. 1. Block a European Army. Keep Germany disarmed.

No. 2. Get Communist China into the United Nations.

No. 3. Get more access to more markets in Western nations.

Success on Point No. 1 will keep Europe weak and some of its nations candidates for eventual Communist take-over. Success on Point No. 2 will open the way for rapid Communist domination in all of Asia. Success on Point No. 3 makes things easier for Communists at home, helps build things up.

Odds are that Russia will win on Nos. 1 and 3, lose on No. 2.

European Army seems stymied by France. German rearmament is a problem if not part of a European Army. Communist China, for the present anyway, is not to get U.S. recognition. People in U.S. aren't quite conditioned for that so soon after a war. Trade with Communists, however, is popular.

Trade deals are cooking all over. Communists are going to be allowed to tap the markets of the West. There's overenthusiasm about the size of the orders to be had from the Communist empire. They will be noticeable, but not of major importance in world trade. Russia isn't another U.S.

Disarmament? It will be talked about, not acted upon.

Atom pool? That's something more to be talked about, not acted upon.

U.N. membership for Communist China? Not now.

The world, apparently, is entering another period of endless talk.

At home, Eisenhower is for quieting things down, returning to "normal."

Government, gradually, will shrink in size and importance.

Private enterprise will be expected to take up any slack.

Spending cuts, budgeted, mean that private demand will have to take up about 6 billions in business Government has been supplying. That's for the next

(over)

year. It will be more in the years that follow as Government pulls out. Eisenhower is counting on private initiative to assure prosperity.

Even so, Government is going to be far from a negligible factor.

Over the year to start July 1: Spending will be 65.5 billion dollars. Taxes, if plans work out, will take in 62.6 billions. Deficit, on bookkeeping basis, will be 2.9 billions. If you count in Social Security taxes, the budget will be balanced in terms of cash taken in and cash paid out.

That's still an awful lot of money, even if it is 8 billions under the Korean war peak of spending. It's 26 billions over the pre-Korea level.

Over the long range, Eisenhower indicates this level of spending:

National security: 37.5 billions a year as a minimum for the future. All other spending: 22 billions as a rock-bottom minimum. That's for debt interest, veterans, Social Security, farmers, atomic energy, everything.

Total: At least 59.5 billion dollars a year far into the future.

Eisenhower makes it clear that U.S. will not again let down its guard if he can have anything to say about it. That means big spending.

What then of taxes? Will they always stay so high to balance a budget?

The thinking is this: Tax adjustments, temporarily, will cost money. A favorable climate for business, however, will stimulate activity, will lead to rising incomes, bigger profits, a broader base to tax.

Lower tax rates, as in the 1920s, will be expected to yield more.

Government now is betting that private enterprise will go on expanding, will become more productive, provide more income to be taxed.

Tax policy, definitely, is to be geared to stimulate venturing.

Dividend income is to get some tax relief. Capital-gains tax will be modified in 1955 if not in 1954. More rapid depreciation of new plant and equipment is to be provided as an encouragement to new investment.

Corporation income tax will be reduced on 1955 income if not 1954. Odds are that a cut to 50 per cent from 52 per cent will be made this year.

Tax policy is being shaped with an eye to its effect on a system of private enterprise. The objective of penalizing success, of adding to the hazards of venturing while denying reward if venturing succeeds, no longer is dominant in Congress or at the White House. It no longer is regarded as wrong that one individual might have substantially more income than another.

That really is the big change brought by an Eisenhower Administration.

Industry itself is reacting positively to changed official attitudes.

Investment plans for 1954 again are big. Auto industry is pushing ahead with near-record plans for improvement and expansion. Chemicals have big programs under way. Utilities do, too. Emphasis no longer is on building up vast hoards of liquid cash, but rather on improving the industrial plant.

Business activity is temporarily stable. Business trend, gradually, is to a firm base not far below recent levels. Unemployment, rising, still, is small by all past standards. In the 1920s, normal turnover involved more than 2 million unemployed. Now the working force is much larger.

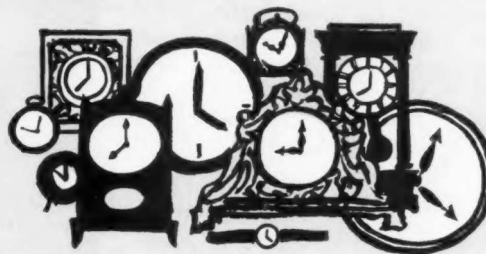
It was at London, just two months after Potsdam, that Mr. Byrnes started trying to collect on some of the Russian promises. This was the first showdown. It involved the treatment of the liberated states and the degree to which

East and West have talked in



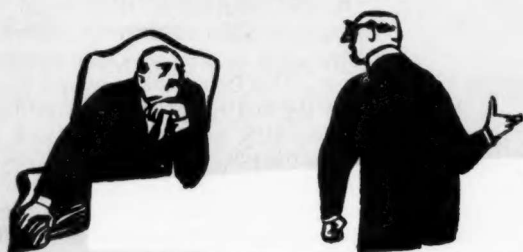
3,802 meetings
(on major issues only)

These meetings have consumed



11,400 hours

Negotiators have spoken



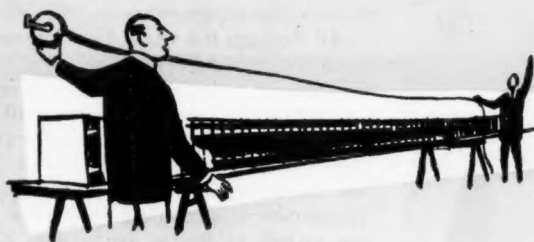
120 million words

That's enough words to fill



680 volumes of 400 pages each

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a bookshelf 35 feet long

Playing it all back on records would require



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playing day and night**

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smaller nations would be permitted to take part in planning for peace.

V. M. Molotov, the Russian Foreign Minister, balked. He refused to sign the proposed agreements. Bitter words were flung about. Ernest Bevin, the British Foreign Secretary, called the Molotov ideas very much like those of Hitler. The talks dragged through 34 days. They ended without any agreement.

Turning point. This marked the turning point in U.S. relations with Russia. For the first time, U.S. and the Western world had refused to stand and deliver to Russia. It was becoming clear that if the Communists seemed to yield in a conference it was only because the things

they were getting suited their long-range strategy of taking over the world.

From London, the U.S. moved through one talkfest after another with the Communists. And the Communist tactics were always the same. Each new issue opened up a geyser of words.

This state of affairs was emphasized again in the spring of 1946. A Big Four Council of Foreign Ministers meeting and a peace conference of delegates from 21 nations was shattered by Russian talk. In one form or another, the parleys ran from April until October with only two short breaks. Several millions of uncounted words were used up here. The conference produced no result.

In November, 1946, the talking started up again, this time in New York. Now the Russians were willing to do business—but on their own terms. They agreed to peace treaties with minor Axis nations. For this agreement, they got reparations: 100 million dollars from Italy; 200 million from Hungary; 300 million from Rumania; 300 million from Finland. And they got chunks of land from Hungary, Rumania and Finland, plus two ports from Finland.

After this Russian haul, feelings began to rise in the Western nations. The disposition to give the Communists their own way in conferences was changing.

In 1947, however, the Council of For-

eign Ministers tried again. It met in London. All thought of action was drowned almost immediately by a spate of charges from the Communists that the Potsdam Agreement had been violated.

Two years passed before the next meeting. In May, 1949, the Council came together in Paris. Again, Germany was the topic. Russia was willing to unify Germany on its own terms, which would have meant giving to Russia virtual control of Germany. Russia rejected the Western proposals to extend the Bonn Constitution to Eastern Germany. More millions of words were used. Nothing was done.

There has been a five-year lapse since the Paris conference. In that period, foreign ministers of the Western powers have come together to talk about common problems. But Russia has not joined them. The Berlin meeting is the first new attempt of the Big Four to reach any decision since the Paris meeting bogged down in talk.

Plenty of other talks have been going on with the Communists in the interval, however, using up many millions of words. The charts on pages 22 and 23 give an idea of the time and the words.

The number of words is figured at the rate of 175 words a minute for the time consumed in conferences. This is the business-school estimate of the rate at which stenographers are required to work in formal conferences.

On the widely varying topics of world peace, some 35.1 million words have been said in the General Assembly and the Security Council of the United Nations. Here the Communists have quibbled, proclaimed propaganda, denounced the Western nations—and sometimes have walked out.

Just three phases of the German problem—unity, the Berlin blockade and the Berlin air corridor—have used up some 44.5 million words without result. The Berlin blockade was ended not by talk, but through a long and tedious “air lift” by the U. S.

On the two questions of disarmament and of controlling atomic power, 9.5 million words have been fired into space. The end of the road on these two problems seems no nearer now than it was when the talking started.

Korea has produced 18.7 million words. It took 18.1 million words to get a truce. Already, 630,000 have been used in the search for a political agreement. And there is no agreement in sight.

As a matter of fact, the Communists refused to yield on the question of a truce until they could arrive at a bargain that they could hold up to their home folks as a victory over the United Nations.

Few negotiations in history have been as long and tedious as those conducted there with the Chinese Communists by



TALK IN KOREA PILED UP
... till they got what they wanted

Vice Admiral Charles Turner Joy and Maj. Gen. William K. Harrison. It took 10 meetings for them to agree on what they would talk about.

After they had agreed on an agenda, the words flowed out in an endless stream.

When an American negotiator talked 70 minutes on one day, the Communist leader talked 110 minutes the next. After all arguments had been heard and replied to, there were times when the group would sit for hours in a strained silence. The Communists would doodle on note pads, setting down words of insult to the South Koreans.

Day after day, the Americans went to the meetings sure in their own minds that the Communists did not intend to agree to a truce—that they simply were using the meetings in an effort to elicit all the information they could about American plans. At the end of 10 months, they made an offer on a take-it-or-leave-it basis. The Communists turned it down, and the first round of talks was finished.

The U. S. produced some new terms when the talks were resumed. They were of a kind that the Communists could use to picture themselves at home as having won a victory. When they got what they wanted, the Communists settled. And the long-drawn negotiations ended.

Words as weapons. There was nothing new about the tactics. Words are a favorite weapon of the Communists. They use them to take over labor unions, other organizations. They use them to take over nations—and to win international conferences.

All through the years, the Communists have alternated between peaceful words and violent action. Now, having used violence in Korea and Indochina until they figure that the world is anxious for peace, they are spreading peaceful words. They are agreeing to talk about President Eisenhower's atom-pool plan, are willing to talk in Berlin, perhaps in Korea.

Back of this peaceful façade is the same old Communist strategy. They are trying to divide the free world with the ultimate hope of dominating it. As one step toward this division, they are bidding for more trade with Europe, with other nations.

Out of the present flow of words from the Communists is emerging a bid for goods for the Communist peoples and for recognition of Communist China. The one would build up the strength of the Communists at home; the other would put them in a position to grab off the rest of Asia.

By this time, the talking formula of the Communists is clearly apparent. They will take much, give in return only words, play the game on their own terms. Experience shows that they always have plenty of words to offer.

OUT OF RED BY '56—IKE'S GOAL

Tax Cuts Alone Prevent Balanced Budget in '55

There's news both good and bad in the first budget that President Eisenhower can call his own.

Spending is to be down—there are sharp cuts for defense outlays, and trims for others.

But income is to be down, too. So red ink still will flow.

And the President's plan to shave the deficit could be upset by Congress, business trends, or just bad luck.

It's going to cost a good deal less to run the country in the year that begins next July 1. Big cuts in spending are to be made.

Even so, President Eisenhower's budget is to be in the red.

There's going to be another year of red ink because the Government plans to take less from the people in the form of taxes. While spending is on the way down, income is on the way down, too.

The result, as the President figures it, is to be as follows:

Spending will be 65.5 billion dollars, or 5.4 billion less than in the year that will end next June 30.

Income is to be 62.6 billion dollars, or nearly 5 billion less than in the year that ends June 30.

Red ink is to be totted up at 2.9 billion dollars, or about 350 million less than in the current year.

This means that the Government does not expect to balance its books before the 1956 fiscal year, the year that starts on July 1, 1955. Nevertheless, the President notes that "we have moved closer to a balanced budget." His evidence is a 9.4-billion-dollar deficit for the 1953 fiscal year, a 3.3-billion deficit for the present fiscal year, and a 2.9-billion deficit for the next fiscal year, beginning July 1.

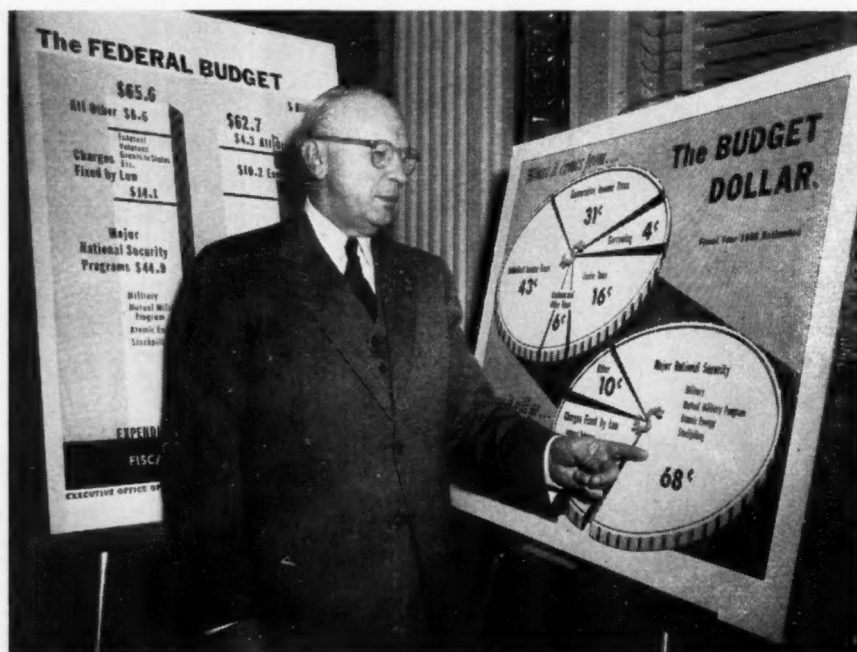
Mr. Eisenhower actually is quite optimistic about his budget problems. He figures on continued high spending by individuals, business firms, State and local governments to offset the effects on business activity of a decline in federal outlays. In fact, he seems to be counting on tax cuts, tax-relief measures, and money and credit policies to spark an upturn in private spending. If there were

no tax cuts, the Government's books would balance.

The Eisenhower estimates of Government income still may prove to be too high. If the business slowdown continues, then taxes will bring in less money. Congress also has a good many ideas for cutting taxes further than is being figured at the White House. If those tax cuts take place, there could be even more red ink,

dominant military idea now is that the country can depend on the striking power of the Air Force and atomic weapons as its first line of defense in what the President describes as an "extended period of uneasy peace."

For business, this means increased orders for electronic devices and guided missiles, about the same amount of spending for aircraft, ships and military



BUDGET BUREAU'S JOSEPH M. DODGE
For the military: a rock-bottom sum

although Congress might also pare Mr. Eisenhower's budget.

What the President is doing, primarily, is to make rather drastic cuts in the country's defense budget. Of the 5.4 billions to be slashed next year in Government spending, nearly 3.9 billions comes out of defense and other activities related to national security. But the President insists that the country is to get a stronger defense for less money.

The planning in the defense budget calls for more money for the Air Force, slightly less for the Navy and a thumping slash of 4 billion dollars for the Army. Spending by the Atomic Energy Commission is scheduled to hit an all-time high of 2.4 billion. Foreign military aid is put at nearly 4.3 billion—an item that Congress very probably will trim. The

construction, and large declines for guns, tanks, combat vehicles and ammunition. Less money also will be spent for food, clothing and housekeeping items because the size of the armed services is expected to be trimmed from 3.3 million men on June 30, 1954, to 3 million by June 30, 1955.

The military budget of 37.5 billions is considered a rock-bottom sum. Defense Department planners think that this amount will have to be spent in every year of this period of "uneasy peace." It compares with 41.5 billions for the present fiscal year, ending next June 30, and with 43.6 billions spent in the year that ended June 30, 1953.

Foreign economic aid is in a downward trend. Mr. Eisenhower proposes to spend 529 million dollars less in the year

ahead than in the current year, which also shows a decline from the last budget of former President Harry S. Truman. Most of the economic aid in the new budget is for Asia, including Korea, and Africa and Latin America. Very few European countries are expected to get assistance.

The President may be too optimistic in his estimates for the farm program. He expects to spend less money in this year than was spent last year on crop-price supports and to show another decline in the 12 months beginning July 1. Marketing quotas on wheat and cotton and acreage controls on corn are expected to reduce the output of these crops, and thus lower the Government's cost in supporting prices. It's doubtful, however, that these goals will be fully achieved if Congress insists on retaining the present high support prices.

To get rid of surpluses, the President plans to ask for authority to send up to 1 billion dollars' worth of commodities abroad in the next three years. No expenditures are involved in this program for the 1955 fiscal year, but surpluses are expected to start moving in that period. The aim is twofold—to remove surpluses from the domestic market and to aid distressed people overseas. Financing is to be done through the Commodity Credit Corporation.

Moderate reductions are recommended in most of the other activities of the Government, dealing with public works, resource development and education.

The outlay for natural resources is being pared in the present fiscal year by 186 million dollars and is scheduled to drop another 69 million in the year that ends June 30, 1955. Smaller sums are being spent for flood control, reclamation and power development, and power-transmission lines. The Tennessee Valley Authority is listed for increased outlays, chiefly to complete power projects now under way and to operate them after they are finished. No new power plants for the valley are proposed.

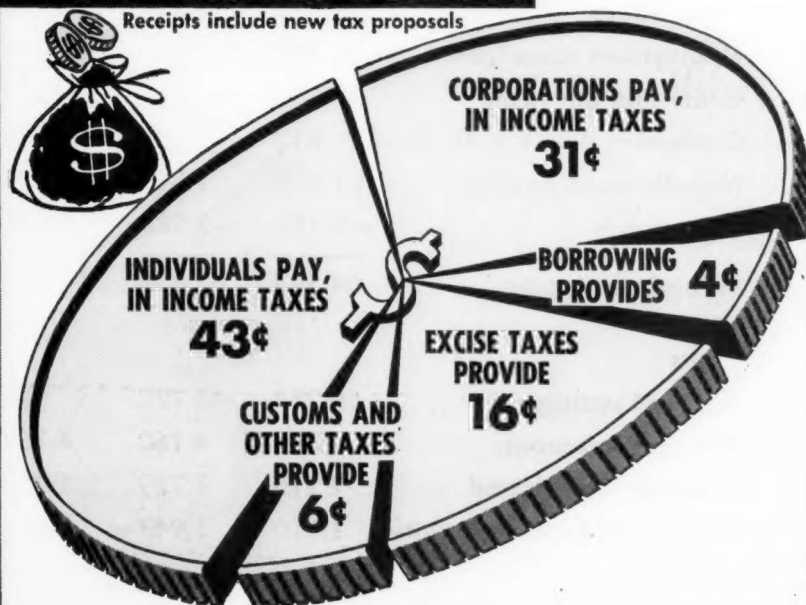
Highway development is expected to continue in the period ahead at about the current pace, with emphasis on improving the system of interstate highways. Less money is to be spent on the development of commercial aviation and on shipbuilding subsidies for the merchant marine. Operating subsidies for the merchant marine are increasing.

Housing and community development are in a declining trend. The Eisenhower budget foresees a drop of 334 millions in this field for fiscal year 1955. The housing program actually is expected to bring money into the Treasury—a net gain of 277 millions. That's because the Federal National Mortgage Association is

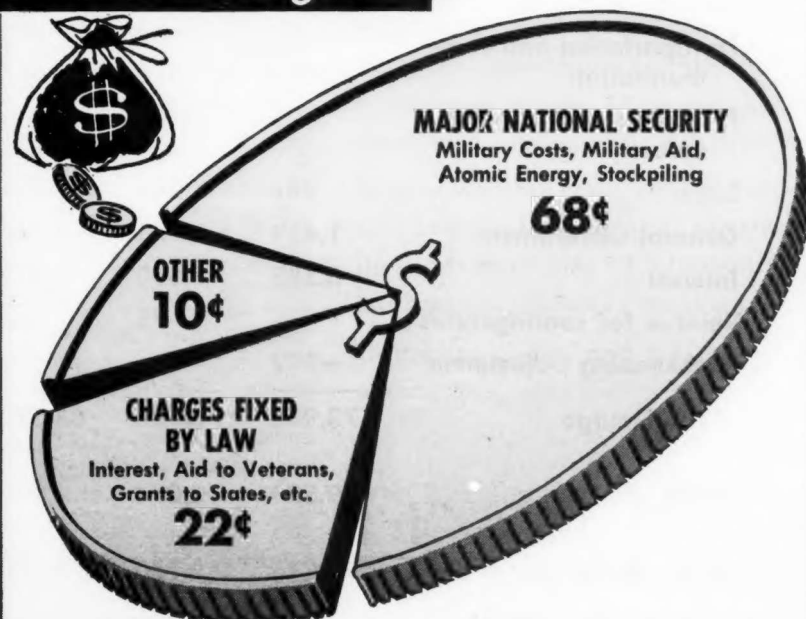
The BUDGET DOLLAR

Year Ending June 30, 1955, Official Estimates

Where it comes from . . .



Where it will go . . .



Source: Budget Bureau

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A LOOK AT GOVERNMENT'S BOOKS

(millions of dollars)

	1953*	1954*	1955*
	Actual	Official Estimate	Official Estimate
Income			
Personal income taxes	\$32,478	\$33,433	\$30,323
Corporation taxes	21,595	22,809	20,264
Excise taxes	9,992	10,227	10,239
Employment taxes (net)	287	290	308
Estate and gift taxes	891	955	955
Customs	613	590	590
Miscellaneous receipts	1,857	2,312	2,454
Tax refunds	-3,120	-2,988	-2,491
Total net income	64,593	67,628	62,642
Outgo			
National security	50,274	48,720	44,860
Veterans' programs	4,298	4,160	4,192
Economic aid abroad	2,216	1,779	1,250
Welfare and Social Security	1,910	1,947	1,807
Housing	549	57	-277
Education and research	277	278	223
Agriculture	2,936	2,654	2,366
Natural resources	1,358	1,172	1,103
Transportation and communication	2,077	1,856	1,418
Finance, commerce and industry	76	164	162
Labor	281	265	281
General Government	1,439	1,175	1,160
Interest	6,583	6,600	6,875
Reserve for contingencies	—	75	150
Bookkeeping adjustment	-292	—	—
Total outgo	73,982	70,902	65,570
Deficit	9,389	3,274	2,928
Public debt (end of year)	266,071	269,750	273,000

*Fiscal year ending June 30.

expected to sell more mortgages in this period than it buys.

Mr. Eisenhower also intends to spend less money on education and research, chiefly because of less need for school construction in federal defense areas. The postal deficit is expected to be reduced by 350 million dollars in the 1955 fiscal year, largely through an increase recommended in postal rates. The Reconstruction Finance Corporation, in the process of liquidation, will make a smaller outlay.

Cost of administering unemployment insurance is expected to rise because the President wants to expand the program. Federal outlays for public assistance to the aged, dependent mothers and the blind, on the other hand, are expected to fall. In this field the President is counting on approval by Congress of his Social Security expansion program. If that proposal is adopted, more of the aged will be assisted under the pension insurance system. The veterans' program shows little change.

Interest on the public debt will continue its rising trend. This cost to the Government is expected to reach 6.8 billions in the next fiscal year, both because interest rates are somewhat higher and the debt is larger. The budget message estimates that the national debt will be 269.75 billions next June 30, and 273 billions a year later.

As far as cash operations are concerned, the federal budget will have little over-all effect on general business activity in the year that begins next July 1. As Mr. Eisenhower assesses the outlook, the Government will take in 115 million dollars more than it will pay out. That compares with an operating cash deficit of 234 million in the present fiscal year.

In the year that begins next July 1, the Treasury's cash income is expected to amount to 70.8 billion dollars, with cash outgo put at 70.7 billion. In other words, when the total Government "take" from the public is considered, the budget is practically in balance. In the current year, ending June 30, cash payments to the public are put at 75.1 billion, with collections from the public at 74.9 billion.

The cash budget differs from the book-keeping budget chiefly in that pay-roll taxes under the Social Security program are counted as income and pension payments out of trust funds are counted as outgo. Pay-roll taxes now exceed trust-fund payments. These operations are technically outside of the regular budget.

The attitude of Mr. Eisenhower's financial managers is that the budget now presented to Congress is a "stabilizing document," with a bias toward neither inflation nor deflation. In brief, private enterprise is on its own.

TITO TRIES TO SAVE COMMUNISM

'Too Much' Freedom Brings On a Purge

Tito is putting checkreins on Yugoslavia's new freedoms. He is serving notice that he's still a Communist ruler.

Squabble over a snubbed actress is an excuse to crack down on advocates of free enterprise. Communists are the winners.

Tito, in trouble, isn't returning Yugoslavia to Moscow—but he isn't going all the way over to the West, either.

BELGRADE

A squabble over the social position of a 24-year-old actress has touched off a serious purge within the top leadership of Communist Yugoslavia.

Marshal Josip Broz-Tito, Yugoslavia's dictator, did not object when his close friend, Milovan Djilas, a Vice President of Yugoslavia, denounced the Communist "old guard." Tito took no action even when Mr. Djilas wrote that Communists were really not necessary in the new Yugoslav state.

Tito moved in to try to save Communism when Mr. Djilas denounced the wives of veteran Communists for their social snubs to a pretty stage and screen



MILENA VRAJAKOVA
The snub was incidental



MARSHAL & MRS. TITO
His program was in trouble

actress. She was Milena Vrajakova, who married Col. Gen. Peko Dapcevic, Chief of Staff of the Yugoslav Army, a few months ago. For Tito, this "family fight" was the last straw.

A purge, the first to strike so high in the Yugoslav leadership, cut down Mr. Djilas. On the orders of President Tito, himself, Mr. Djilas was ousted from the Central Committee of the Yugoslav Communist Party. Others, too, accused of being "unduly influenced" by the non-Communist world, will be purged.

Behind the trouble in Yugoslavia are matters far more important than the social status of an actress.

What is happening here, in the only Communist country open to inspection by non-Communists, is an experiment, a shotgun wedding of Marxist Communism and free enterprise.

Tito, by purging Mr. Djilas, is out to check the drift within his country from Moscow-style Communism directly to Western-style democratic capitalism. He wants to keep Yugoslavia communistic, but Tito style, not Moscow style.

A return to Moscow, a peace with the new rulers of the Soviet Communist empire, is not contemplated. Instead, Yugoslav rulers continue to look to the U. S. and its allies for military and economic aid, for diplomatic support.

The Tito experiment in socialism is similar in some respects to Moscow Com-

munist. But it is controlled from within, not from Moscow.

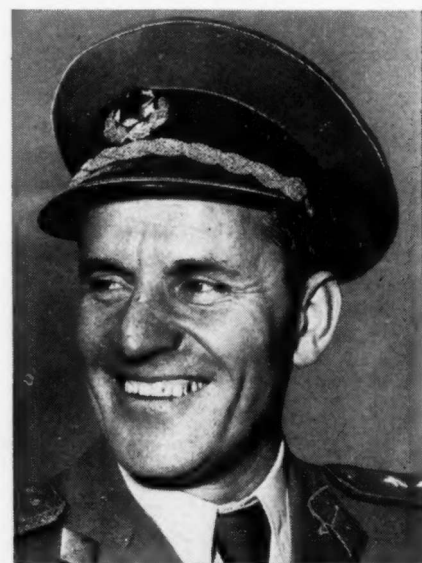
In agriculture and in industry, however, the Yugoslav leaders have found their experiment hard to hold. Farmers and factory workers alike, offered some freedom from the strict police and party control of all political, economic and social activity, have rushed pell-mell toward democratic freedoms like those known in Western countries.

Such a movement could have sounded the death knell of the Tito dictatorship, the end of an experiment that claims to be real Communism, not a front for Soviet Russian imperialism. This threat is what Tito is trying to check.

Looking around Yugoslavia you get an impression of what is happening in terms of real people, real problems.

On the farm, where two thirds of the Yugoslav people live, the Yugoslav-Communist break with Stalin's Soviet Union in 1948 meant a real change. From bitter experience, Yugoslav leaders learned that Moscow-style Communism, for Yugoslavia, was a shoddy failure, a ruinous system dictated by Moscow and kept going only for Moscow's benefit.

For years after the break, the Yugoslav leaders kept trying to run Yugoslavia in Moscow style, but without Moscow. Farmers were forced into collectives; the state alone marketed produce, set prices. Farmers who failed to conform were



ARMY CHIEF DAPCEVIC
The marriage was controversial

Interview

—with FIELD MARSHAL MONTGOMERY—

Deputy Supreme Allied Commander in Europe

"BOTH SIDES WILL USE A-BOMB"

EDITOR'S NOTE: How good are Allied armies in Europe? Can they hold the line if huge Russian forces should attack? What is being done to use the atom bomb in the NATO defense system? Can Europe be defended without the Germans? How important is the French Army in the setup?

To get answers to these and other questions, and to understand better how defense of the Continent is shaping up, U. S. News & World Report sent its Western European Regional Editor, Robert Kleiman, to Supreme Headquarters of the Allied Powers, near Paris, to interview Viscount Montgomery, Deputy Supreme Allied Commander.

FIELD MARSHAL BERNARD L. MONTGOMERY, Viscount of Alamein, is the son of an Episcopalian bishop. He went to Sandhurst, the British West Point, was wounded twice in World War I and was a lieutenant general on the beaches of Dunkirk during the retreat early in World War II.

Viscount Montgomery's rise to fame came rapidly when he went to Egypt in 1942 and defeated the Nazi Afrika Corps. Later he commanded the left flank of the Allied armies attacking Germany. In 1951 he was named second in command of the North Atlantic Treaty Organization forces in Europe under General Eisenhower.

Q Field Marshal Montgomery, what will be the effect of the atomic weapons and other new weapons on your problems?

A Well, the effect of the atomic weapon today is an imponderable. Nobody can say that the atomic weapon has proved that we can do with less forces. Not yet. That has not been proved. There have been no atomic weapons used in the active theater of war today—Korea, Indochina, Malaya—where fighting has been going on.

Q You mean we can't appraise atomic weapons until they have been used in war?

A No, no, I don't at all say that. We're now examining this question here. How will military forces be affected by the progress in science? It will affect the balance, you see—how much must exist in peacetime, always ready, and what can come along after war starts. It will affect that. But there's nothing yet to show that the total force you want has been made less because of the progress of science. It might. It's a "balance" we're after.

Q Do you feel that, as a British officer as well as an officer of the North Atlantic Treaty Organization, you have enough information about atomic weapons made available to you by the governments to do your job?

A Well, I am not General Gruenther's atomic expert [Gen. Alfred Gruenther is Supreme Commander, Allied Powers in Europe], though I am naturally concerned with the broad military application of atomic warfare. Now the fighting man—you take myself or any fighting man—he doesn't want to know

the technical details, the know-how. He's not interested in that.

Q In how the A-bomb is made, you mean?

A No. What he wants to know is whether that thing is available to him. Whether it's a bomb or a guided missile or a rocket, he wants to know that certain atomic weapons are available to him and the means of delivery of those weapons exist. He's not interested in whether you've got 5,000 or 2,000 or whatever it is. We then have to work out the machinery to insure that the thing can be delivered quickly when it's wanted.

Q Has the flow of information improved since the recent U.S.-Canadian-British agreement on atomic exchanges?

A I do not really know. The matter is being handled by the politicians.

Q Would your plans be different if you had, say, one weapon a week or 150 weapons a week to use?

A Oh, perhaps. For military planning. But it doesn't make the slightest difference to me to know the American stockpile consists of a certain number; I don't know or care.

Q You're interested in what's to be made available here rather than the total stockpile?

A How many are available in Korea is not of the slightest interest to me in Europe.

Q How about the training of the troops to use these weapons? Have you enough information to train British, French, Dutch troops to use atomic weapons?

A It started when General Ridgway [General

Atom Weapons Not Yet Proved in Battle . . . Strong Armies Still Needed in Europe . . . 'Germans Must Be Included'

Gruenther's predecessor] was here. We opened a school at Oberammergau last spring. Officers of a certain rank from the various nations go there and receive instructions in atomic protection. They study protection not only from enemy use of atomic weapons, but when we use them, to make certain we don't get the backwash. The training approach to the use of the atomic weapon is all going on.

Q Well, do you think it would be useful to have some of these atomic weapons in Europe?

A Certainly. I mean, I would never refuse any weapon. If I were to engage in a roughhouse in Europe, I would like to know that I should be backed by atomic power, certainly.

Q What's preventing that from happening?

A I don't know, only we don't propose to drop one tomorrow morning in Europe or somewhere, do we? We're not counting on war coming along tomorrow, but personally I hope that if anyone attacked us we would use everything we had at the outset.

Q You know there has been a lot of talk recently of banning atomic weapons, particularly since President Eisenhower proposed an atomic pool—

A That again is a political matter, but I think you can assume, if a war starts, that both sides, if they have got atomic weapons, will use them. That's my view, my personal view.

Q Do you then feel that atomic weapons help the West in the defense of Europe?

A I think you will find it may enable us to get security better.

Q But you have not yet reached the point where you can gauge just to what extent atomic weapons will strengthen Western defense?

A Not yet. All that is being studied.

Q How long do you think it will take before the answer to that question is developed?

A I wouldn't like to say; it's very difficult to say.

Q Sometime this year, perhaps?

A Oh, I think sometime this year we shall certainly have the answer to how it's going to affect the size of our forces and the organization of our forces.

Q What has held up that study here at Headquarters? It was supposed to be finished last summer, wasn't it?

A What's that? We're always studying here the effect of science on our affairs. I am not aware of any particular study being held up.

Q Field Marshal Montgomery, when General Eisenhower was here at SHAPE [Supreme Headquarters, Allied Powers in Europe] he told me once that your main job was to "forge the weapon," to get the NATO forces into good fighting condition.

A Yes, that's true.

Q What success have you had? How good is this weapon you've been forging?

A Well, Mr. Kleiman, in considering the defense of

(Continued on next page)



'SHAPE' HEADQUARTERS
" . . . too much 'paper' "



MONTGOMERY AND FRENCH
" . . . a fine fighting race "



U. S. ATOMIC GUN
" . . . an imponderable "

... An aggressor 'would not have a walkover'

the West against the threat from the East, you've got to go back to the days in 1948 when the Western Alliance was formed. In those days, if the East had wanted to attack the West—I don't say they did want to, but supposing they did—there wouldn't have been very much in the West to stop it.

The task given us in the Western Alliance days, and carried on when the Western Alliance was absorbed into NATO, was to build up military strength quickly. There were three reasons for it. The first one was to have a deterrent against war. The second one was to have something available if anybody attacked us. The third one was to give confidence to the nations of Europe that we could handle an aggressor.

Now I'd say that today, 1954—that's about five years—that task has largely been achieved. There has been no war. The deterrent build-up for war has paid a dividend.

Now, as the forces grew and grew, the Supreme Commanders—starting with Ike, then Ridgway, Gruenther—they rather handed over to me the sharpening of this weapon. Today, the weapon may not be as big as we want it, but it's pretty sharp. It's a sharp sword on the ground, and backed by air power. Any aggressor five years ago would have had a walkover. Today he would not have a walkover. It would be a bit of "a party" today. Is that what you wanted to know?

Q Yes, indeed, that's it exactly—

A He would not have a walkover. He would probably think twice before he started a roughhouse, you see. And that's what we wanted.

Q I heard it said the other day that if the Russians attacked next week they couldn't even reach the Rhine; the NATO forces are that good now. Is that true?

A I would not subscribe to a statement of that sort. Where they would reach is a matter of opinion. I'm not prepared to say today that they could not reach this line or that line in Western Europe. I think that's a dangerous statement.

The aim is to stop them before they could occupy the peoples and territory of the NATO nations. How many weeks or months we could hold them, and when we could start driving them back, is another question. That would depend on the state of our reserve forces.

THE KEY: RESERVES—

Q Would you say that the balance of forces has now reached the point where the outcome would depend very largely on generalship on both sides?

A No. Of course, the outcome always depends on generalship. But it depends just as much on: "Is the weapon adequate, big enough, to handle this avalanche that might come at you?"

I think today we have reached the stage where the final outcome depends also on the extent to which nations can spring to arms behind the battle, and move up their reserves. If they cannot spring to arms quickly, what you've got out in front can't last forever without reinforcement. The NATO forces we have built can assure time for our nations to spring to arms and get mobilized. Our fate, if war comes, now depends on that—how fast and how effectively reserves can be thrown in.

Q What needs to be done with this reserve system and the mobilization schemes? What's lacking now?

A In the last five years, we have definitely built up a deterrent. There has been no war, and any guy today who wanted to attack us would think twice. Now in doing that, I think that the nations have probably been so intent on this task that they have not got themselves internally organized to be able to handle a war, with everything that war entails. I don't think that their man power and their industry are geared to turn over quickly from peace to war. That's the first point.

I think also that the organization that is necessary has got to be one that will enable you to have security over a long time. It's no good saying, "I want security in 1954, 1957, or 1960." I would like to see the nations so geared that they have got security for a long time ahead; that if any aggressor comes along, they can spring to arms quickly. That's what we've got to put right. We must give up the idea of only working to a definite date—which may prove to be wrong.

Changes Ahead in Defense Setup

Q How do you see the defense structure changing, then, over this long period? Will we be able to have smaller active forces in the forward screen and count more on reserve forces as time goes on?

A Well, you have hit a very good point, that. We've got to get "the balance" right as to what exists in peacetime and what comes into being after mobilization. It is that matter, you see, which is now being very carefully examined. What exists in peacetime is expensive, and some nations have said that they cannot continue to carry these enormous defense budgets.

Q Do you think the Europeans will make some kinds of cuts?

A You never know what political people will do. I doubt whether the nations of Europe will continue to carry these vast defense budgets indefinitely.

Q If this were so, would you reduce the active forces and improve the organization and strength of the reserve?

A That is being examined. The balance between the active forces and the reserve, the right balance between sea, land and air forces, all that is now being examined very carefully to try and get the thing right. That's going on. You're quite right in your question;

... 'I hope American troops will not be taken away'

there lies the answer. What you keep up in peacetime, in being, at full strength—that's expensive. What you keep up as a reserve which can come into being after mobilization—that can be relatively cheap. It's that "balance" that has got to be found.

ROLE OF GERMAN ARMY—

Q Well, Field Marshal, I wonder if you could tell me this: If defenses in Europe are now quite good, are German troops still needed?

A Did I ever say they were "quite good"? I said that we have now built up sufficient military strength to be a deterrent against war, which we have done. But I think I said that they are not quite everything we would like. You can't do the defense of Western Europe, which includes Western Germany, without a German contribution. Western Europe includes Western Germany in it.

Q Actually, the NATO agreement just calls for defending NATO countries at the moment, doesn't it?

A It includes the NATO forces in Germany also. The European Defense Community forces will be under NATO command. The EDC Treaty will be in the agreement. SHAPE commands the outfit. We say it must include Germans; it must. And the settling of the German contribution is one of the biggest and most important things of the moment. We want a German contribution in this game.

Q What effect would a German contribution have on the balance that we talked about earlier—between active and reserve forces?

A It would have a big effect. The German contribution is to be primarily of active forces: quite a sizable number of divisions. Then maybe some more reserve divisions later; I don't know. It will be done by stages. I mean, first a few divisions, then a few more and so on: that has all been worked out. Once the EDC is ratified and the word "Go" is given, the Germans will proceed pretty quickly.

Q How long do you think it will take to get the German divisions in the line?

A I think that would depend a good deal on how quickly the equipment could be supplied. From the man-power point of view, the Germans could do it very quickly. I'm not so certain about the equipment. That's a lot of equipment, you know. I should think, from the command point of view, the thing could be done quite quickly. As for the equipment, it would take longer.

Q What would be the effect, then? Would that permit NATO to reduce some of the other active forces and put them into reserve?

A It might, but I should doubt it. I think it would enable us to hold the fort longer and give more time for nations to spring to arms behind; it would have that effect.

NEED FOR U. S. TROOPS—

Q How long do you think it will be necessary to keep the American and British troops in the line in Germany?

A Well, that, of course, is very largely a political matter. There's no idea that I know of at the moment for withdrawing any troops. Do you know of any?

Q I know of no definite plan, but—

A I know of no plan.

Q But there's a lot of talk—

A There's always talk; there always will be. There's too much talk, you see. But I know of no concrete suggestion or idea that the Americans or the British should pull their troops out. None.

Q How long do you think we should keep at the present force levels of American and British troops in Europe? One year, five years?

A I haven't even thought of it. I hope during the time I'm mixed up in this business the American troops will not be taken away. They won't, of course.

Q If you had to fight, you'd like to have them at your side?

A Oho, certainly—don't ask me that, by the gods!

Q Well, there's some question now as to whether EDC will actually come into being, isn't there?

A Some question? I should think there was!

Q What's the alternative? How do you get German troops if you don't have EDC?

A I don't know. I really don't know. I've often told my political masters, "Have you got an alternative, if EDC is not ratified?" And the only answer I've ever had was, "It must be ratified."

I keep saying, then, "Supposing it is not; what do you do?" It's a political thing, you see. I don't know what the alternative is. It's a political matter, and it's no good asking me. Ask the Prime Minister.

FRANCE: THE KEYSTONE—

Q I'd like to ask a military question based on your wartime experience as Commander of the Northern Army Group. A number of military men, some German ex-generals among them, believe that it's possible to defend Europe with a force in the North and a force in the South. If France will not agree to German forces, they say, it will be necessary to defend Europe with German forces and without, possibly, French forces. Now, is it possible to defend Europe without France as the keystone of the operation?

A You mean that you could ignore the French and say to them, "You can get out of it; we'll do without you"? Oh, no. Look at that great area there of France on the map. You can't do it. It's my view that you can't defend Western Europe without France. They are the big nation—43 million people. It's not on. What

(Continued on next page)

... 'The French are necessary in the defense of Europe'

have you got left then? You've got the Dutch, 10 million; Belgium, 9 million; Luxembourg, 300,000. It isn't on. You can't do it without the French; you can't do it.

Q *The proposal is that the northern forces be supplied through Antwerp, Rotterdam, Hamburg and Bremen, the southern forces up through Italy. The Russians would be let through the center, then hit from the north and south—*

A It's not a very attractive idea. What happens? The Russians pour through the middle to the Atlantic, then wheel north and south, enveloping you.

No, you can't do this business that way. The various ways you fight the battle is another matter. These Russians, what have they got? 200 million. What's a little nation of 10 million; another of 9 million; another of 300,000? The French are necessary in the defense of Europe.

Q *It's a tempting idea to a lot of people in the United States. If you have to choose between French troops and German troops, they would just as soon have the German troops in the fight. Is that a feasible military concept?*

A We want the German troops in the fight, certainly; but do you mean, without the French?

Q Yes—

A You can't do the thing without the French.

Q *You can't choose the Germans instead of the French?*

A You can choose anything you like, but I'm not prepared to say that you can have a proper defense of Western Europe without the French being in it. You can't. That's my view.

The French as Fighters

Q *Another question sometimes asked in the United States is, "Will the French fight?" You've inspected the forces in the field. Are they any good?*

A Of course; they're a fine fighting race, the French. They've had a lot of troubles. You people who live in the States and, oh, perhaps the British who live in the British Isles, they don't know what some of these continental nations went through in the war, occupied by the Nazis for a long while. They don't know. Of course, you people live 3,000 miles away. How could you in the Middle West know what it's like to be occupied? Even the British, who live just across the Channel, they don't know. And it's a lot of nonsense, I think, this talk about the French being no good, not fighting. It's absolutely untrue.

You go and see the national-service boys and you find that they are first-class boys, excellent boys. And they will fight. Of course they will fight. They want good leaders; anybody wants good leaders. The American troops, the British troops, they want good leaders also. I'd say that the national-service boys of all these countries—Norway, Denmark, Holland, Belgium,

France, Italy—they're excellent; excellent boys. All they want is good officers. And when people say they don't think the French would fight, you ought to stamp on it! Of course they'll fight.

Q *And the divisions are in pretty good shape?*

A The divisions they have in Germany are excellent. The French Army in Germany is excellent.

Q *Have they got all their equipment now?*

A Oh, they've got as much as anybody has got. There's more coming along, you see, and the French Army in the field is excellent and will fight very well. And I hope you'll stamp on any idea they won't. How do they spring up, these ideas that the French won't fight?

Q *It's an old idea, I think, that goes back to the 1940 debacle—*

A Well, it is 1954 now and things are entirely different.

Q *Here's another idea that's current: Secretary of State Dulles spoke about it the other day when he hinted that if EDC were not ratified, the United States might withdraw to—*

A He spoke of an "agonizing reappraisal." I know all about that.

Q *He meant an "agonizing withdrawal" of American forces?*

A An "agonizing reappraisal," I heard it was.

Q *That's what he said. What he had in mind, what he implied, was a U. S. withdrawal to a peripheral strategy—*

A I know only what he said.

Q *How good would this peripheral strategy be?*

A You can ask him.

Q *Is it feasible?*

A Anything's feasible. But I reckon that if you lose all this [indicating Western Europe on map], that's the end of Western civilization. That's my view.

Q *Even if you subsequently beat the Russians with atomic weapons from a distance?*

A They might beat you with atomic weapons. If these Russians walk in here and occupy all the West, the cradle of Western civilization, if all that goes, what's the good of saying you'll have some peripheral thing in Iceland, North Africa? Western civilization is gone. We must fight for it. That's my view. That's what I'm here for.

Q *Your feeling is that the objective is not simply to defeat the Russians, but to defend what's here in Western Europe?*

A Certainly. To defend Western civilization against the threat from the Communist East.

TOO MUCH 'PAPER'—

Q *Field Marshal, you made a remark some time ago about the paper work at NATO. I wonder if it has improved since you made that comment?*

... 'You couldn't do a Normandy landing in an atomic age'

A It has not got worse. I made a comment in the Press Club while in Washington in which I said the paper was too much; I still think it's too much. I don't attempt to read it, myself.

I once said that the soldiers here needed exercise, and they should be taken out running on a paper chase [British equivalent of a treasure hunt, except the British do it on foot]. And if they didn't have enough paper, they should come to my office for it. There's too much paper; the whole thing is too much. There's too much everywhere. There's too much in the civil organizations. I mean Whitehall [British War Office], the Pentagon, the State Department. Just masses of paper.

Q What can be done about it?

A Burn it. No sane man could read even half the paper that's issued, and the other half isn't worth reading.

Q Do you have any idea why there's so much paper?

A I don't know. People sit in their offices, you see, and write things to each other instead of going to see each other. I'm told there are 35,000 people in the Pentagon. Is that right?

Q Probably—

A And all producing paper!

Q Well, I understand you're going to have a reduction in force right here at SHAPE. Do you think that will help the paper situation?

A Oh, yes, we're examining all this headquarters setup with a view to reducing it. I think we're reducing about 120 here, getting the thing down. I think, actually, at SHAPE recently the paper has become better, since I made that remark in Washington. It hit home a bit, you know.

Fewer Officers for NATO

Q Why is it possible to reduce the SHAPE officer strength? Is a certain part of the job over now?

A You see, when this thing started there were 12 nations in NATO, and they nearly all wanted to be in on nearly everything. Now I think we are becoming more sensible.

We are learning to trust each other. And if you could get rid of this language problem and say "SHAPE is a one-language headquarters," then you could cut this thing in half, certainly. But there are great difficulties, a lot of nationalities, national feeling. All that game goes on, you see. You can't help it.

Q Now that the European officers have had more training, is there less need for American officers? Can you reduce the American contingent here, which has always been the biggest?

A I should have thought you could. You want to let more work go out to the other people, many of whom are extremely good and very keen. When we started SHAPE there were a lot of preconceived ideas

which have now vanished. I think that when we started SHAPE, we agreed that we would keep the ceiling at SHAPE at 200 officers. I think there are now just over 400, and we are reducing to just under 400. We've got about 185 Americans, I think. So we've almost reached our ceiling in Americans alone.

My own feeling would be that we should get the other people in more on this game. You can't ignore the little nations, and as we get trained officers from them, they should carry more and more of the load.

Q Do you think it will be possible at some future time to have a European as Supreme Commander?

A I don't think so. I think that, as things are today, with most of the money for this being provided by America and most of the equipment, I believe that the Supreme Commander over here will have to be an American for some time. That's my view. I've always said that. And I'm delighted to serve under one, myself. They can come and go, and it may be that I am, by point of service, far senior, relatively. It makes not the slightest difference to me. I'm delighted to serve under them. I recognize that it must be an American. It couldn't be done otherwise, because of the stuff coming across the Atlantic.

NEW TECHNIQUES FOR WAR—

Q Field Marshal, since Alamein [scene of World War II tank battle], what changes have occurred in the tactics of fighting a war? If war comes now, would it be fought differently than last time?

A Oh, yes, because of the atomics and the progress of science, you see. Let me give you a case in point. You mention Alamein. Now at Alamein, for my original plan of attack, I had to have the moon. I wanted a waning moon, you see, that would be just turned, going down, not a waxing moon. I wasn't ready in the September moon, so I had to wait a month for the October moon. I wouldn't have to do it that way today.

Today you can make your own moonlight. We learned that, as the war went on. With searchlights behind your lines, you could flash them up on the clouds and the light would be reflected to the ground where you wanted it. We learned that, you see. I would make my own moonlight today. But we couldn't then; we didn't understand it.

Q You could illuminate the battlefield?

A Certainly. That's one progress. Now in Normandy we had enormous armies; eventually a couple of million people there. We went across the Channel and we had not got a harbor there. So we brought over these Mulberry harbors. Well, you couldn't do a Normandy landing like that in an atomic age. One A-bomb would wipe it right out.

(Continued on next page)

... 'Don't think Korea is a training ground for next war'

Q One bomb would wipe out the invasion force?

A No. Wipe out the Mulberry harbor. So all the technique has got to be changed because of the progress of science. And all that we entirely understand.

Q Would you say that we couldn't afford now to be pushed off the Continent, because it might not be possible again to have the large amphibious landings needed to come back?

A That's a very good question. Who told you that one? Actually, it would be difficult to get back. I don't say that a big-scale amphibious operation is impossible, but I do say that it would be difficult to do it against a good enemy in the atomic age. It could be done, but it would be difficult, much more difficult to do.

But the question you asked was, "Since Alamein what changes have been made?" Tremendous. The progress of science has introduced many things which make it easier for us and many things more difficult for us. We soldiers are often accused, you know, of fighting the next war where we left off the last one. Totally untrue. Totally. We're far more advanced in our thinking than are most politicians.

Q Well, now, what about this whole question of mobility, which you had so much experience with in the desert? Has that changed any? Will there be more or less of it in the next war?

A Oh, well, of course, the desert was a very different place from Europe. We had wide-open spaces. You could crack about, you see. The need for mobility is probably greater today than ever before.

Q Why is that?

A It's because, I think, of the progress of science and the fact that if you're static you can have things dropped on you. If you are quick and moving, the enemy doesn't quite know where you are. If you keep attacking him, he can't drop bombs on you. If he did he might drop one on his own troops. Mobility is the thing.

Q What about holding a line somewhere in Europe? Is that impossible now?

A We can hold a line, certainly. An obstacle line. To cross an obstacle line they have to concentrate. And when they concentrate, you have a target for an atomic bomb.

Mobility: Prime Need

Q What about this idea of mobile islands, hedgehogs, and so on? Is that a useful approach?

A Mobile islands? That's a new one. Mobile hedgehog? I'm for mobility. Absolute mobility. That's the great danger, with modern equipment. When you clutter people up with things, they can't move. When I was staying in Yugoslavia with Marshal Tito in September, and he was talking about all the equipment he was getting, I said, "Don't lose your mobility! Keep it! Your safety lies in mobility."

In the scientific age of atomics, your danger lies in digging yourself in and having something dropped on you. Don't think that Korea is any training ground for the next war. It isn't. It's a completely static war, except for patrolling. The lessons from Korea will be very valuable for patrolling and digging and in how to avoid shellfire. But it's no training for the next war in Europe. None. That's my view.

Q The hedgehog idea is to have a mobile combat team take up a position, letting the enemy go around it. Mobile and supplied by air, it becomes a threat to the enemy's rear—

A I don't care about that.

Q You don't think that's a useful concept?

A I have never, actually, heard of it. Whose idea is it?

Q The Germans talk of it a lot. The idea is this: You have certain natural obstacles in Germany. You use them. Then you can create others by having a combat team as an obstacle. By doing that, you can channel the enemy through certain paths in which he will then become an atomic target—

A I'm all for that. I'm all for conducting the fighting to force the enemy to give you atomic targets. But I'm for flexibility, speed, mobility. I'm not for sitting down in hedgehogs, whatever you call them.

JUDGING THE RUSSIANS—

Q Field Marshal, there has been a lot of talk about 175 Russian divisions. Those divisions really don't concern NATO unless the Russians can put them in Europe with support to keep them in battle. They have pretty poor communications. When they get to West Germany, they are a thousand, two or three thousand miles from their sources of supply. What does NATO really have to face? How many divisions can the Russians send against West Europe?

A I think it would depend on whether they want to attack us without any warning and without any mobilization procedure. If they did that, they could move about 30 divisions.

We, certainly, could hold that, you see. That's easy. But if they want, they could have a much bigger build-up. They've got 175 divisions all around. But I never bother much about counting people's heads. I count people's ability, you see. I think there's far too much counting of heads. I'd say, over all, that when we're assessing the possibility of what this guy can do, we're rather inclined to think he could do much more than he could. We have difficulties, ourselves. What about his difficulties?

Q If it took him a month or two to put the larger number of divisions into Germany, by that time NATO would have reserve forces coming in, as well?

A I hope so. If not, we would deserve to lose.

(Advertisement)

AS THE PLANES on these pages show, the American aircraft industry has led the world in fighter development since World War I. Development and production of superior

fighters, and aircraft in every other category of Air Power, must be continued year after year without interruption if American Air Power is to be an effective instrument for peace.



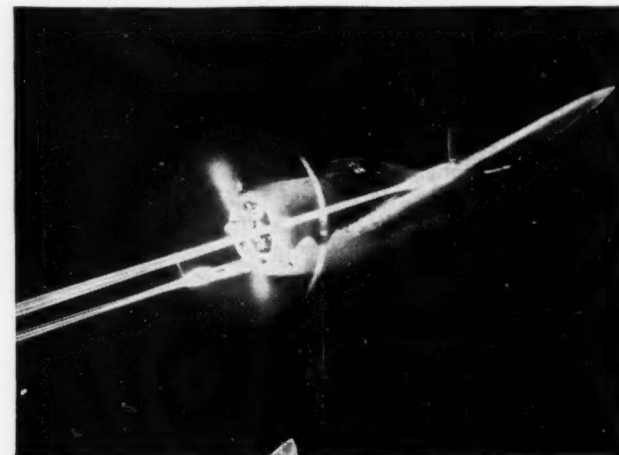
1. In 1918, France, not America, led in fighter airplane development. U. S. pilots, like Ace of Aces Captain Rickenbacker, flew 130 m.p.h. Spads. Though primitive, they represented huge advances over the 28 m.p.h. aircraft flown by the Wrights a mere 15 years earlier.



2. By 1926, America's young aviation industry had developed a powerful new air-cooled engine, Pratt & Whitney's Wasp. Rugged and very light, the Wasp produced over 400 h.p., a huge output for its day. A generation of fast fighters, like Boeing's P-12, was built around it.



3. More powerful engines and growing design experience led to more streamlined, low-wing monoplanes in the 1930's. Between the 230 m.p.h. Boeing P-26 (above) and the 300 m.p.h. Curtiss P-36, speed-cutting external struts and bracing wires had disappeared from fighters.



4. The big, rugged Republic P-47 Thunderbolt brought Army Air Force fighter speed to over 400 m.p.h. Built in 1941 around a new 2000 h.p. Pratt & Whitney engine, it became one of World War II's top fighters. It outflow and outfought the enemy's best in every war theater.



5. The jet age in America dates from 1942, when the experimental Bell XP-59 fighter first flew. Its two small turbojet engines each developed 1250 pounds of thrust. By 1945, 4000-pound thrust turbojets, and 550 m.p.h. Lockheed P-80 Shooting Stars (above) were in production.



6. As early as 1945, design work began for the first of famed families of North American F-86 Sabres (above), and Republic F-84 Thunderjets. In Korea, though far out-numbered, Sabres scored a 13 to 1 margin over Russian-made MIGs, while F-84s starred against ground targets.



7. First of several U. S. A. F. supersonic fighter types in production, North American F-100 Super Sabre, is powered by Pratt & Whitney's J-57 jet.

Can U.S. Air Power Prevent a War?

The answer lies in how consistently America pursues
a sound peacetime Air Power policy

FROM the Spad of 1918 to the Super Sabre of 1954, American Air Power has grown in importance to the stage where its strength or weakness can mean the difference between winning, losing, or *preventing* another World War. To succeed in preventing a war, our military aircraft—in every major category—must be second to none *in performance* and strong enough *in numbers* to discourage aggression before it starts.

Never before—not in 1918, 1941 or 1950—has America had Air Power of such effective dimensions when the chips were down. To build this kind of Air

Power and to have it ready at the time of some *future* emergency, there must be a continuous long-range program of production of the finest military aircraft that can be developed, in sufficient quantities to do the job.

As the Secretary of Defense has said, "It is especially important . . . that we organize our military efforts for maximum effectiveness and efficiency over a period of years." That is why the Department of Defense—the Air Force, the Navy and the Army—must have the support of every citizen for a realistic, long-range Air Power program.

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1947—You used twice as much electricity. So your house seemed twice as big to your electric company.



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Senator McCarthy Reports—

REDS AT WORK ON SECRET FILES ... DEFENSE PLANTS ... LIBRARIES ... SHIPS

Just what are some of the things the McCarthy Committee has done in the past year?

Here is an answer, as given in its own words by that Senate Committee on Government Operations and its Subcommittee on Investigations.

This report, just released by Senator Joseph R. McCarthy (Rep.), of Wisconsin, gives an account of investigations into:

1. State Department's "chaotic" files.
 2. U.S. information libraries overseas, charged with having 30,000 Red-tainted books on their shelves.
 3. Subversion in the Army and in firms making important defense items.
 4. Trade between U.S. allies and Red China or satellite countries.
- Text of these findings is presented here.

FILE SURVEY—STATE DEPARTMENT

Following, in full text, are four sections from the "Annual Report of the Senate Permanent Subcommittee on Investigations," released Jan. 25, 1954:

Pursuant to its mandate to investigate efficiency in the executive departments, the Subcommittee conducted staff interviews, executive sessions and public hearings on the efficiency of operation of the vital State Department filing system. The investigation was found to be "very helpful" to the State Department by its Administrator of Security and Consular Affairs. This inquiry was for the purposes of determining the efficiency of the operation of the State Department files dealing with Foreign Service personnel and the internal effect such operations had upon the security of various matters within the State Department and affecting the efficiency of operation in other departments. A security officer of the State Department testified that:

"Well, from the security standpoint, I would say that conditions in the file room, procedures and the protection afforded the files, are, as we term it in security, deplorable."

The evidence developed at the hearings substantiated this statement and showed a prevalent lack of efficiency in the filing system. It disclosed that this inefficiency seriously hampered the vital work of investigative agencies which depend on the information in these files for much of their work. The testimony indicated that this inefficiency had had a damaging effect on various promotion actions within the Department, due to the confused setup of the files relied on by the various promotion panels.

PAPERS TAKEN, DESTROYED

Specifically, it was developed during the hearings that:

1. At no one place within the State Department could a complete file be found, examined, and a determination

made regarding the personal history and background of any employe or former employe. Consequently, investigative agencies, such as the Federal Bureau of Investigation, charged with the responsibility of personnel security and investigations in that regard, were placed in a position of distinct disadvantage.

2. Parts of files on individual personnel were maintained in as many as 11 locations.

3. At no one of any of the locations was there a complete file on any one employe or former employe.

4. The papers in the files were not serialized or recorded in any way, so that it became impossible to tell whether a file was complete, and whether any papers had—with authority or without authority—been removed from them.

5. Various files were in fact stripped of derogatory information.

6. Some of this derogatory information was actually physically destroyed. There was no single standard of operation in the stripping or maintenance of the files and, accordingly, such stripping and removal of derogatory information was frequently predicated upon whim, caprice, personal likes and dislikes or other emotional reasons related to personal relationship or interoffice politics. See following testimony:

Mr. Cohn [Roy M. Cohn, Subcommittee chief counsel]: Has there ever come to your attention, Mrs. Balog, a situation wherein any official of the State Department ordered an official file copy of a letter or some other material burned?

Mrs. Balog [Helen B. Balog, supervisor, Foreign Service file room, State Department]: I know of one instance.

Mr. Cohn: Would you describe the circumstances of that instance to us?

Mrs. Balog: My assistant put this letter on the desk, and she said, "I don't understand this because it has been ordered burned and it is the official file copy." Attached to it was the incoming letter and enclosures. I thought some-

one had made a mistake, so I took the thing down to the area involved.

Mr. Cohn: Let me stop you at this point. How did you know that this letter was to be burned? Was there something on the letter?

Mrs. Balog: In red letters, it was written clear across the file copy, "burn" . . .

Mr. Cohn: What did you do after this letter was called to your attention?

Mrs. Balog: I took it down to that area and asked them, "Who did that?"

Mr. Cohn: What were you told?

Mrs. Balog: I was told that they did not want to place that letter in the file, and would I leave it with them.

7. The Performance Measurement Branch of the State Department reviewed various files of personnel under consideration for promotion, prior to the submission of such files to the Promotion Panel, and this branch stripped derogatory information from the files.

8. Whenever derogatory material was removed from the files, flags or stops were placed in the files to indicate that such files were incomplete and had been stripped of important security information. However, such flags were removed prior to use of such files by the Promotion Panel. This practice constituted a danger to our security as well as an inefficient and unauthorized operation.

9. There was no organizational chart whereby any agency could determine any and all of the places where search should or could be made to procure the complete documentary background on any personnel under investigation and consideration.

10. It was also determined that where personnel had been separated for security reasons, the files had been stripped in many instances of such information and there was a failure to forward appropriate information in that regard to the Civil Service Commission. Instances were developed where such personnel were subsequently employed by other sensitive agencies of the Government, which were unaware of these prior proceedings and information.

Mr. Cohn: Now, let me ask you this question. In connection with the removal of documents from the files, did there ever come to your attention a situation when the removal of a document from the file resulted in the giving of clearance by the State Department and the giving of a favorable recommendation by the State Department to another sensitive Government agency of a person who had resigned from the State Department under charges of unusual morals?

Mr. Matson [John E. Matson, special agent, Division of Security and Investigations, State Department]: Yes, sir, I recall one instance.

Mr. Cohn: Would you tell the chairman and the Committee about that?

The Chairman [Senator McCarthy]: But do not give us the name of the individual.

Mr. Matson: All right, sir. I was requested recently to review a file in the Foreign Service Personnel Division at the same time another agent was working on the case for some special information he wanted. In reviewing the file, the other agent had presented to me at the same time a copy of a letter which had been written to the Civil Service Com-

mission stating that the person involved had been allowed to resign under conditions reflecting on his suitability for further Government employment. This letter, by the way, is a flag to Civil Service that this person is not to be re-employed by any Government agency.

Mr. Cohn: This letter had been written by an officer of the State Department indicating that this man had been allowed to resign based on charges involving unusual morals. The letter was written to the Civil Service Commission having to do with circumstances reflecting upon his suitability to serve, and that letter to the Civil Service Commission you have described to us as a flag to other Government agencies and a warning which would result in his being denied employment by another agency in view of the circumstances of his leaving the State Department. Is that right?

Mr. Matson: That is correct.

Mr. Cohn: Now, did you have occasion to review the file of this individual?

Mr. Matson: I did.

Mr. Cohn: Was that letter to the Civil Service Commission in the file?

Mr. Matson: No, sir; it was not.

Mr. Cohn: Was there any other document or piece of paper in the file indicating the fact that this person had been allowed to resign from the Department under the circumstances you have outlined?

Mr. Matson: Well, there was a letter in there indicating that the man had resigned from his post, with the statement that he was going to his family to aid them in their hour of need, and there was another letter stating he had not in fact gone home but had gone to Paris to join another man who also had resigned from the same post. We felt that there was something peculiar, and we checked with certain records of a certain division in the Department of State, which would possibly indicate if the

man had certain proclivities. And then was when we discovered the original letter, which was written to Civil Service. But the file contained two letters thereafter, dated possibly two months after the date of the letter to the Civil Service.

Mr. Cohn: These two letters you are talking about now were written after a letter had been written to Civil Service stating that this officer had been permitted to resign under circumstances reflecting on his suitability to serve, is that right?

Mr. Matson: That is correct, about two or three months thereafter.

Mr. Cohn: Two or three months thereafter, you say, there were two other letters written by the State Department; is that correct?

Mr. Matson: That is right.

Mr. Cohn: To whom were these other letters written?

Mr. Matson: One was written to some branch of the War Department, indicating possibly that the person in question had applied for work with the War Department as a civilian employee. The other was to another Government agency, the name of which I do not recall.

Senator Mundt [Karl E. Mundt, of South Dakota, member of the Subcommittee]: Did the letters constitute a warning to these potential employers not to hire the man, or were these letters of recommendation?

Mr. Matson: Those letters were merely stating what the



SENATOR MCCARTHY

man's background was, and that he was cleared, as far as the State Department was concerned, for employment by any other Government agency.

Senator Mundt: Which in effect amounted to a letter of clearance or endorsement?

Mr. Matson: Yes, sir; a letter of endorsement of record.

11. Other incidents were developed wherein derogatory information had been removed from personnel files at the request of the persons against whom such information was filed. Such requests were either made directly or through co-employees to friends employed in the Department in Washington. This was possible because almost anyone in the State Department could withdraw personnel files in the various locations without being required to establish that the same was necessary in the course of his duties.

Mr. Cohn: I see. Let me see if I understand that. I just want to go over this for one minute, and see if we have this clear, and then I want to ask you for some names, Mr. Matson. Do I understand this to be the case: You say you came across a situation where a letter was written to somebody in the Department, to an official of the Department of State, asking that official of the Department of State to go to a file and remove from that file a letter; is that correct?

Mr. Matson: That is correct.

Mr. Cohn: A letter involving an employee of the Foreign Service of the State Department?

Mr. Matson: Yes, sir, that is right.

Mr. Cohn: Now, this letter which the State Department official was requested to remove, can you tell us generally, without telling us what the letter said, what kind of a letter it was? Did it involve commendatory or derogatory information, or what?

Mr. Matson: Well, the letter that the man wanted removed concerned the resignation or demotion of the person involved in whom he was interested.

Mr. Cohn: The letter concerned the resignation or demotion of the person whose file it was; is that right?

Mr. Matson: That is correct.

Mr. Cohn: Now, did you have occasion to examine that file to see whether or not the letter which the State Department official was asked to remove had in fact been removed?

Mr. Matson: Yes, sir.

Mr. Cohn: Did you find the letter there?

Mr. Matson: No, sir, I did not.

Mr. Cohn: It was not there?

Mr. Matson: No, sir.

Mr. Cohn: Now, could you tell the chairman and the members of the Committee the name of the State Department official who had been asked to remove this letter which you did not find?

Mr. Matson: The person who had been asked to remove it was John Stewart Service.

12. Many files were drawn by personnel having the right to do so on a "need to know" basis, but then such files were passed through various hands without further "charge out" until they ultimately reached the hands of personnel whose primary and sole purpose was to strip the files of derogatory information.

WHERE FILE SYSTEM FAILED

All of the foregoing detrimental, inefficient and lax security practices were possible because of a failure to serialize each document and each file; a failure to establish an adequate and efficient "charge out" system; a failure to centralize all the files in one location and an active resistance on the part of responsible officials to heed the recommendations of personnel, pointing out these defects and their dangers.

Appropriate recommendations and findings were submitted in the report of the Subcommittee designed to enhance the security within the State Department and other sensitive agencies which might have been required to rely upon the personnel files of that Department.

On the basis of the Subcommittee's findings, steps were taken by the Administrator of Security and Consular Affairs of the State Department to correct these practices and re-examine each and every file in which any information had been developed regarding stripping and secreting in locked personal file cabinets such derogatory information. The Administrator of Security and Consular Affairs indicated that he was proceeding to restore such material to the files and to take appropriate action of a security nature, in the light of the information contained in such documents and letters.

The following is an excerpt from a letter addressed to the chairman from the Administrator, Bureau of Security and Consular Affairs, dated May 6, 1953:

"... The information developed in the hearings before your Subcommittee has been very helpful in indicating areas requiring immediate attention and corrective measures. Such matters have been receiving due attention, corrective steps are being taken, and further studies with a view to continued improvement have been launched..."

UNITED STATES INFORMATION SERVICE CENTERS

Extensive hearings over a period of several months were held by the Subcommittee early in 1953 into the conduct of United States Information Centers abroad, then operated by the State Department.

The hearings resulted in the findings recited hereafter and in the indictment by the federal grand jury for the District of Columbia of Harvey O'Connor for criminal contempt as a result of his appearance before this Subcommittee.

These overseas special-purpose libraries, by the State Department's own definition, were set up "to reflect American objectives, values, the nature of American institutions and life, and to utilize the books and related material to advance the ideas of America in the struggles against Communism."

It should be made clear at the outset that no libraries, either private or public, in this country were remotely involved in this investigation. The only libraries affected by this investigation were those in United States Information Centers

abroad, set up under Public Law 402 and financially supported by federal funds. These libraries were created with the specific purpose:

- (1) To promote better understanding of America abroad, and
- (2) To combat and expose Soviet Communist propaganda.

The Subcommittee's investigation and extensive research over a period of several months, here and abroad, revealed the following facts:

1. Well over 30,000 books either written by known Communists or Communist sympathizers, or containing obvious pro-Soviet or Communist propaganda, were being carried on the shelves of the United States Information Service libraries overseas.

2. Well over 300 of the authors of these books had varying Communist Party front records.

- a. Some 12 of these authors had been identified in sworn testimony as Soviet spies or connected in some manner with Soviet espionage.
- b. Another 15 could be classified as "hard core" seasoned Communist Party members. Four of them had, in fact, served prison terms for various law violations in connection with their Communist activities.
- c. Twenty-one of the authors whose books were found in these United States Information Service libraries had invoked the Fifth Amendment before various congressional committees when questioned as to past or present Communist Party membership.

3. Books by such known Soviet Government officials and veteran detractors of America as Ilya Ehrenburg and books by the publishing house used by the Communist Party of the United States, International Publishers, were found on United States Information Service shelves. How "Communism in the United States" by Earl Browder or "Pages From a Worker's Life" by William Z. Foster, present titular head of the Communist conspiracy in this country (which books were on the shelves), could possibly advance "American ideas in the struggles against Communism" is rather difficult to understand. American taxpayers' money was of course expended to purchase or maintain the above-mentioned works.

This Subcommittee called some 33 witnesses on this one phase of the problem. Ten were friendly or co-operative; most of the other 23 invoked the Fifth Amendment. Several were extremely hostile, if not contumacious and offensive. Testimony of all witnesses is contained in Parts 1 to 8, "State Department Information Program—Information Centers," which has already been released. In addition, two staff members made a tour of a number of these libraries in Western Europe and personally verified the testimony of these witnesses.

MYSTERY: 'NO ONE RESPONSIBLE'

Questioning of present and former top officials in the International Information Administration by this Subcommittee and later the Senate Appropriations Committee, as to how thousands of books by Howard Fast, Dashiell Hammett, John K. Fairbank and others had found their way into these special-purpose libraries, proved vexatious and unsatisfactory. No one was responsible. Thirty thousand or more pro-Communist books or books written by Communist sympathizers had mysteriously found their way into these libraries apparently without benefit of human intercession. All of them, at least at

first, subscribed to the same curious theory that United States Information Service books should be accepted or rejected solely on the basis of "content." Confronted with specific and flagrant examples of strictly Communist Party line "content" or rabidly anti-American diatribes in various United States Information Service library books, and asked to explain how such "content" managed to get past their own book selectors, their answers could hardly be called forthright or convincing.

These officials apparently overlooked the fact that the purchase of books written by Communists, or fellow travelers, in addition to spreading Communist propaganda was also making an indirect contribution to the coffers of the Communist conspiracy for many years. There has been ample testimony that Communists, whether "hard core," professional revolutionaries or fringe supporters and sympathizers, are under stern discipline and continuous pressure to make liberal cash donations as well as payments and assessments to the Communist Party and its various adjuncts and fronts. Indeed, many authors before the Subcommittee invoked the Fifth Amendment as to whether they had given their book revenues to the Communist Party.

Nor did the officials, charged with the planning and direction on a world-wide scale of America's "struggle against Communism," seem to realize that placing the works of Communists and their sympathizers in United States Government libraries abroad was in effect placing the seal of official United States Government approval not only on the book itself but also on the author. Foreigners using such American libraries abroad and noting the presence of books by Howard Fast, Earl Browder, William Marx Mandel, William Z. Foster, Owen Lattimore and others could not help but conclude that these authors were approved by the United States Government. More sophisticated readers would probably assume that United States Government officials responsible for these libraries were incompetent to distinguish known and notorious Communists from truthful authors. They might also logically assume that these information centers themselves had been infiltrated by crypto-Communists who would naturally push the books of Communists and their sympathizers.

Shortly after assuming office, Secretary of State John Foster Dulles ordered the removal of all books by Communist authors. Following the Dulles order, a group of "clarifying" directives were issued, many of which left much to be desired from the standpoint of clarity. Since the Subcommittee's investigation, certain steps have been taken to correct this operational abuse.

SUBVERSION IN DEFENSE EFFORT

During the summer of 1953, on the basis of reliable information received concerning the general subject of Communist infiltration, and specific information relating to certain individuals, it became apparent that Communist attempts to infiltrate our armed forces and the defense effort, with a view to limiting their effectiveness, had not been completely checked. The warnings of the Government Printing Office case were too recent to be ignored. A large portion of the staff was immediately assigned to this case. Realizing that through the use of their world-wide apparatus the Communists had already gained many of our atomic secrets, the staff's attention focused upon what might well be considered their next field of concentration—our defenses against attack.

Since it was reported that Communists and their sympathizers and supporters were employed by the Army at the time of commencement of the investigation, this received immediate attention. Since radar is such an obvious

and important part of our defense, particular emphasis was placed upon defense establishments charged with responsibility for research, development and manufacture of radar.

Executive sessions were commenced on Aug. 31, 1953, and public sessions began shortly after that date. The executive and public hearings have continued up to and including the date of the writing of this report, during which time 194 witnesses have been heard in executive session and 35 have appeared in public hearings. The following facts have been developed to date by the Subcommittee, and the public record at this point shows that:

1. **Communists and those involved in the Communist movement were employed by the Department of the Army at the time of the commencement of the investigation.**

Doris Walters Powell, named as an important figure in the Communist movement in New York, and as part-time secretary to Doxey Wilkerson, a key Communist leader who

has served on the National Committee of the Communist Party, was an employee of the Department of the Army when this investigation commenced.

Aaron Coleman was retained by the Army Signal Corps when the investigation was opened. Mr. Coleman, section chief at the Evans Signal Laboratory at the Fort Monmouth radar establishment, was employed by the Army Signal Corps despite information to the effect that he had been recruited into the Young Communist League by Julius Rosenberg, the atom spy, and had been caught with secret radar documents taken from the laboratory by him, and found in his room when searched by Army investigators in 1946.

2. Communists and Communist supporters and sympathizers were employed in defense plants, handling secret work for the Defense Department at the time this investigation commenced.

Ruth Levine, a technician who had been employed, until two days prior to her testifying, at the Federal Telecommunications Laboratories with a clearance to handle top-secret material, invoked the Fifth Amendment as protection against charges of Communist Party membership and conspiracy to commit espionage, when called before the Subcommittee on Dec. 16, 1953.

At public sessions held on the General Electric defense establishment at Lynn, Mass., on Nov. 19, 1953, two current employees, Henry Archdeacon and Donald H. Morrill, invoked the Fifth Amendment as to current espionage activities and as to committing future sabotage against the United States. Three current employees at that time, Nathaniel Mills, Robert Goodwin and Witulad Piekarski, invoked the Fifth Amendment in executive session as to activities in the Communist conspiracy.

In public session Mills and Goodwin refused to affirm or deny questions of their Communist Party activities and Piekarski invoked the Fifth Amendment. On Jan. 16, 1954, in public session, Theodore Pappas, Victor Bolys and Alexander Gregory, current employees at the General Electric defense establishment at Lynn, Mass., invoked the Fifth Amendment as to Communist activities and membership. Benjamin Alfred denied membership in the Communist Party but invoked the Fifth Amendment as to his attendance at Communist Party meetings which were also attended by other employees of General Electric. Testimony in executive session before this Subcommittee, and on the basis of which public hearings will be held, revealed the names of over 20 current employees of defense establishments, doing classified Government work, as participants in the Communist conspiracy.

3. Espionage has been committed in the Army Signal Corps establishment at Fort Monmouth and in other similar places.

Testimony disclosed that the proximity fuse and other secret radar and defense items were stolen from the Army Signal Corps by Julius Rosenberg, Joel Barr and other unidentified members of the Soviet spy rings. Rosenberg and Barr have been publicly named by David Greenglass as Communist espionage agents while working for the Army Signal Corps. Greenglass has testified that there are others who were in the Signal Corps with Rosenberg who committed espionage, and whom he has not been able as yet to identify, suggesting the possibility that they may still be employed, and in operation there. Further testimony shows that a German technician, while working at the Communist laboratory at Pirna in East Germany, and who has since fled to the American Zone, heard top Soviet scientists boast of their information on material obtained from the Evans Signal Laboratory at the Fort Monmouth radar establishment.

4. A number of persons who are engaged in Communist activities were suspended but the screening board of the

Office of the Secretary of the Army under the previous Administration ordered their reinstatement in positions which involved handling of classified material.

One Signal Corps employee, Samuel Snyder, who was given a complete clearance less than a year ago by the Secretary of the Army's screening board, on Dec. 16, 1953, invoked the Fifth Amendment before the Subcommittee as to his Communist activity. Another Signal Corps employee whose case has been considered in executive session and working at the radar laboratories at Fort Monmouth at the time the investigation commenced, was ordered reinstated by the screening board of the Secretary of the Army's office after his suspension some time ago, despite proof of his disbelief in our form of Government, and proof that within the secret radar laboratory at Fort Monmouth he had been distributing pamphlets calling for the end of our military effort.

5. The success of that phase of the Communist infiltration which was concentrated on a particular area of our defense was exemplified by the employment, over the last 14 years, of a large number of Communists and Communist sympathizers at the Army Signal Corps' Fort Monmouth and related establishments.

Of all the witnesses heard in public session during the three or four weeks of open hearings held thus far, over 20 witnesses connected in some way with the radar establishments invoked the Fifth Amendment as to Communist and, in a number of cases, espionage activities.

6. The Subcommittee has heard in executive session testimony concerning the disappearance of classified documents from defense establishments.

Since this investigation was commenced:

a. The Secretary of the Army has adopted a policy calling for the suspension of any employee who hides behind the Fifth Amendment. General Lawton, in command of Fort Monmouth, has revised security regulations and taken positive and effective steps to ameliorate conditions.

b. Doris Walters Powell, a current Army employee when called before the Subcommittee, was suspended following her invocation of the Fifth Amendment, and is now out of Government service. Ruth Levine, a technician, employed by the Federal Telecommunications Laboratories with a top-secret clearance, resigned as an alternative to immediate dismissal, following her decision to invoke the Fifth Amendment as to Communist and conspiratorial espionage activities.

c. Following investigation by the Subcommittee of Communists employed in its plants, the General Electric Company adopted a new policy which is setting a pattern for American industry, and which calls for the immediate suspension from defense plants of any current employee who invokes the Fifth Amendment.

Under this policy of the General Electric Company, Nathaniel Mills and Robert Goodwin were suspended from the General Electric defense plant at Lynn, Mass., when they refused to affirm or deny sworn testimony given in an open hearing naming them as Communist conspirators. Similar action is facing other such Fifth Amendment employees of General Electric, Army and key defense establishments when public hearings are held.

On Dec. 12, 1953, General Electric Company also suspended Henry Canning Archdeacon, Donald H. Morrill and Witulad Piekarski, who had invoked the Fifth Amendment as to Communist activity when they testified in public session on Nov. 19, 1953. Theodore Pappas, Benjamin Alfred, Victor Bolys and Alexander Gregory, current employees at General Electric, Lynn, Mass., invoked the Fifth Amendment in open session on Jan. 16, 1954, as to Communist activities and membership. Formal notice has not been issued as to the disposition of these last four employees as of this writing.

d. One or more persons have been removed from the

Loyalty Board panels of the Department of the Army. Regulations on physical and personal security have been practically revised at Defense Department installations and private plants doing Defense Department work.

Of even greater importance than the removal of individual security risks is the task of alerting responsible officials of the incredibly lax loyalty and security procedures which permitted such conditions to exist. The need for this was demonstrated by the fact that the suspension of security risks at Fort Monmouth was discouraged by a consistent history of reinstatement of suspended security risks by the top screening boards. Personal responsibility for continuing Communists in key positions is still to be established. It should be emphasized that this investigation is not yet completed.

EAST-WEST TRADE

Through legislative mandate, this Subcommittee is vested with the investigative authority to study, evaluate and recommend legislation, when such action is deemed appropriate, with the ultimate view to improve the economy and efficiency of our Government agencies and departments which are accountable for carrying out our foreign commerce and related matters.

The Subcommittee, in a series of public hearings, developed by an extensive investigation the particulars of the trade of our Western allies with Communist China.

The primary purpose of this inquiry was to determine the amount of the service and supplies which our allies were furnishing to Red China and to ascertain the extent to which this trade was assisting the enemy in Korea. It was imperative to learn whether our Government and our allies were doing all in their power to reduce and eliminate the trade, and how this subject should be dealt with in legislation.

Since Dec. 17, 1950, shortly after Chinese Communist troops openly entered the Korean conflict, the United States placed a strict licensing system on all trade transactions with China and prohibited all American-flag vessels from entering the ports of Red China.

However, the United States' position of a complete embargo of all commerce with Red China has not met with blanket approval of our Western allies. Traffic in items which are non-strategic in nature is not forbidden by our allies under the Mutual Defense Assistance Control Act (the Battle Act). This Act provides no military, economic or financial assistance shall be supplied by the United States to any nation that ships war materials to those countries threatening our security. The extent of the trade between our allies and Communist China was examined in elaborate detail at the hearings.

Since June of 1952, more than 2 billion dollars' worth of goods passed between our allies and Red China. The volume of the trade is flourishing and, in fact, has increased in 1953. Seven of our leading European allies exported 12 times the dollar volume of goods to China for the first quarter of this year than during the same period of 1952.

Since the outbreak of the Korean war, approximately 450 Western-flag vessels made some 2,000 trips into Chinese ports. Many of these vessels carried goods from European Communist ports or carried goods and materials between Chinese Communist ports in the Orient. In 1952 alone, there were 193 different vessels going in and out of Red Chinese ports and 71 of these came from European Communist countries or traveled between two Communist ports in China. The monthly tonnage involvement of Western-flag vessels in March of 1953 was the greatest it has been in any month since the outbreak of the Korean war. During the course of this inquiry, it was determined that one of the first problems in curbing trade

Even without the disclosure that the Communists had access to secret material flowing through the sensitive Government Printing Office, this investigation alone has demonstrated that there are no secrets from the perpetrators of the Communist conspiracy. Harry Hyman has had continued contact with personnel at key defense installations; Ruth Levine had top-secret clearance in December; Mills, Goodwin, Gregory, Pappas, Bolys and Alfred, and others named were employed in vital defense plants; Aaron Coleman left secret documents unattended in his home.

The pattern of infiltration of key defense establishments and access to secrets by Communists has not ended with the execution of the Rosenbergs. Their comrades in the Communist movement have continued and will continue their efforts to destroy this nation.

with the Communist Far East was the involvement of Greek-owned tramp ships in that commerce.

In an effort to eliminate or reduce that trade, members of the Subcommittee staff conferred with various Greek ship-owners and, as a result of these conferences, the Greek owners of 327 vessels totaling more than 3.5 million tons of ocean shipping voluntarily pledged to remove their vessels from actual or potential trade with China and from Communist intrabloc trade anywhere in the world. Because of the pledges, 3.5 million tons of ocean shipping became unavailable to the Communist war effort. It is well to remember the Communists owned only 2 million tons of the 80 million tons of ocean shipping in the world. This new course of action, which will result in a substantial reduction in the number of Western-flag vessels trading with China, was characterized by Secretary of State Dulles as being in the public interest. Following the statement by Mr. Dulles, President Eisenhower took the same position regarding the problem.

After this investigation, a report was submitted to the Senate setting forth information concerning the type, extent and effect of this trade by our allies with Red China.

The chairman of the Subcommittee, in an endeavor to foster a curtailment of the extensive trade between our Western allies and Communist China, introduced on July 27, 1953, an amendment to the Mutual Security Appropriations bill for the fiscal year ending June 30, 1954. This amendment would, in effect, subtract from American funds marked for those nations receiving Mutual Security aid an amount of 1 million dollars for each vessel carrying the flag of such country, transporting cargo between a port in the Soviet Socialist Republic, or any European country under its domination, and a port in Red China or between ports within Communist China.

Due to a procedural rule, a vote on the merits of the amendment was not taken on the floor of the Senate. The suspension of the rules of the Senate is necessary to amend an appropriation bill if proper objection is made when the amendment is legislative in nature. A motion for the suspension of the rules was defeated by a vote of 50 to 34, with 11 Senators not participating. It is to be emphasized that the only vote taken relating to the amendment concerned moving to suspend the rules. A vote has never been taken on the merits of the amendment.

The Committee's report also describes investigations in these fields: transfer of occupation-currency plates to Russia, U. S. Communists in the U. N., the Government Printing Office, the Voice of America, Korean-war atrocities, auditing of the federal assistance program, indoctrination materials used by the U. S. Army, and compromises of tax claims by Treasury and Justice Departments.

LET THE PEOPLE RULE

BY DAVID LAWRENCE



THE DEBATE over the proposed amendment to the Constitution sponsored by Senator Bricker of Ohio has revealed some curious contradictions.

Thus, it is contended by opponents of the Amendment that the President should have full power to sign treaties whether or not they modify rights reserved to the people under the Constitution. It is argued also that the President shall be the sole judge of whether or not an executive agreement with a foreign government should be formally submitted to the Senate for approval or disapproval. It is urged, moreover, that the Congress—the people's elected representatives—must not “interfere” in the conduct of foreign affairs.

The wording of the Amendment, on the other hand, would empower Congress “to regulate all executive and other agreements with any foreign power or international organization.” This would give Congress authority over negotiations by the Executive, but no check is provided against arbitrary negotiation by Congress.

There can be no doubt that some flagrant abuses of presidential power in foreign affairs have developed in recent years. The real question is whether the proposed Amendment goes to the root of the problem.

We know that a President of the United States, Franklin D. Roosevelt, made agreements with foreign governments at Yalta which changed the whole course of modern history—and he never submitted them to the Senate for ratification. Plainly the wording of the Bricker Amendment would not compel a President to submit such agreements to the Senate.

We know also that, when the United States joined the United Nations, it did not intend to surrender any of its sovereignty. Yet the third largest war in American history against a foreign enemy was fought at the command of a President of the United States, Harry S. Truman, in pursuance of a resolution adopted by the United Nations Security Council. Our military forces—which, under the Constitution, can only engage in war at the behest of Congress—were unable to attack all parts of the enemy territory or to apply maximum power to win the war because no declaration of war on China was submitted to Congress and because other members of the U. N. objected to such a step.

Plainly the Bricker Amendment would not correct this abuse of power, either.

The truth is that the American people do not have continuous control of their Executive because the Presidency is subject to a check by the people only once in four years.

Our next-door neighbor—Canada—has developed a stable system of government in which the treaty-making power is delegated to the Prime Minister under a written constitution. But he, in turn, must get explicit approval of all his acts from the national legislature or he can assume he has approval if Parliament fails to challenge him on specific questions. Freedom of action is bestowed on the leader of a parliamentary government, but the people can remove him from office overnight if he oversteps the bounds.

The Bricker Amendment would specify that no treaty can be valid unless it is within the Constitution, and the proposal also says:

“A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of a treaty.”

But who is to determine whether a treaty is “valid” or whether an internal law has been adopted by Congress that is constitutional? Only a concrete case by private citizens in the courts, presenting proper issues, can lead to a decision on the question of the validity of a treaty. Would not foreign governments be compelled to wait a long time, perhaps years, for such a determination before being sure that the United States could constitutionally fulfill its pledges?

There is only one certain way to prevent recent abuses. It is to amend the Constitution so that a Congress or a President can be required to go before the people at any time if a difference of opinion on a major issue arises between the Chief Executive and the majority in Congress.

The Constitution should be amended to require that all executive agreements and treaties must be submitted to both Houses of Congress for approval within three months after they are consummated, unless Congress votes to extend the period.

If a treaty or agreement is rejected by as much as a two-thirds vote, the President should resign and his successor be chosen by Congress.

The President, on the other hand, should have the right to challenge the action of Congress. If he fails to get a two-thirds vote of ratification, and wants to carry the issue to the people, a special election should be called at the request of the President to hold Congress immediately accountable.

Let us veer away from the concept of one-man government, one-man dictatorship in foreign affairs, and one-man control of the destinies of our youth without legal sanction by our Congress. Let the people rule.